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1 UNITED STATES DISTRICT COURT
2 SOUTHERN DISTRICT OF NEW YORK

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3 UNITED STATES OF AMERICA,

4 v.

19 Cr. 571 (VEC)

5 JOHN LAMBERT,

6 Sentence

7 Defendant.

-----x

8 New York, N.Y.

9 May 11, 2021

10 11:00 a.m.

11 Before:

12 HON. VALERIE E. CAPRONI,

13 District Judge

14 APPEARANCES

15 AUDREY STRAUSS

16 United States Attorney for the

17 Southern District of New York

BENJAMIN W. SCHRIER

18 Assistant United States Attorney

19 GARY PETERS

20 Attorney for Defendant

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(In open court)

MR. SCHRIER: Good morning, your Honor. Ben Schrier, for the government.

THE COURT: Good morning, Mr. Schrier.

MR. PETERS: Good morning, your Honor. Gary Peters, on behalf of defendant, John Tyler Lambert.

THE COURT: Good morning, Mr. Peters.

Good morning, Mr. Lambert. Good morning, Mr. Lambert.

MR. PETERS: Good morning, ma'am.

THE COURT: You can have a seat.

Mr. Lambert, since I have last seen you, Congress passed a new law, and under the new law, the first time I see a defendant, I'm required to remind the government of its obligation under the Constitution. So let me take care of that, and then we'll deal with your sentencing.

Mr. Schrier, I direct the prosecution to comply with its obligation under *Brady v. Maryland* and its progeny to disclose to the defense all information, whether admissible or not, that is favorable to the defendant, material either to guilt or to punishment, and known to the prosecution. Possible consequences for noncompliance may include dismissal of individual charges or the entire case, exclusion of evidence, and professional discipline or court sanctions on the attorneys responsible.

I have previously entered a written order more fully

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1 describing this obligation and the possible consequences of
2 failing to meet it, and I direct the prosecution to review and
3 to comply with that order.

4 Mr. Schrier, do you confirm that you understand your
5 obligations and have fulfilled them in this case?

6 MR. SCHRIER: Yes to both questions, your Honor.

7 THE COURT: Thank you.

8 Mr. Peters, have you and your client read the
9 presentence report dated October 30, 2019?

10 MR. PETERS: Yes, we have, your Honor.

11 THE COURT: Have you discussed it?

12 MR. PETERS: Yes.

13 THE COURT: Mr. Lambert, did you read the presentence
14 report?

15 THE DEFENDANT: Yes, your Honor.

16 THE COURT: Did you discuss it with your lawyer?

17 THE DEFENDANT: Yes, your Honor.

18 THE COURT: Mr. Peters, do you have any objections to
19 the report?

20 MR. PETERS: I do not.

21 THE COURT: The presentence report will be made part
22 of the record in this matter and placed under seal. If an
23 appeal is taken, counsel on appeal may have access to the
24 sealed report without further application to this Court.

25 I received a sentencing submission from the defense

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1 dated November 4, 2019, that included letters from the
2 defendant's parents, his grandmother, and a family friend. If
3 anybody here wrote to me, thank you for your letter.

4 I received a second letter from the defense dated
5 April 30, 2021, indicating that no restitution had yet been
6 paid and that since the time of his plea, the defendant has
7 been a full-time student.

8 I received a letter from the government dated
9 November 4, 2019; received a second letter from the government
10 dated April 28, 2021, explaining why the restitution and
11 forfeiture amounts were different in this case.

12 This morning I provided the parties -- we provided the
13 parties with an updated credit report that I received from
14 probation. I had asked the probation department to tell me
15 whether they had -- there were a couple of hanging chads in the
16 presentence report. I had asked them to tell me whether they
17 had received confirmation from the defendant's schools and his
18 prior employer and asked them to run an updated credit check.
19 They did not receive any confirmation from the school or from
20 the prior employer, and you now have the updated credit report.

21 I also received a victim impact statement from the
22 person identified in the complaint as Victim-3. It was
23 provided to the defendant on May 3, 2021, and filed on ECF with
24 the victim's name redacted.

25 MR. SCHRIER: Sorry, your Honor. I just wanted to

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1 note I think that that person is referred to in the complaint
2 as Credit Victim-1, and it's in the schedule of victims.

3 THE COURT: I'm sorry?

4 MR. SCHRIER: Victim-3.

5 THE COURT: It's Credit Victim-1. OK.

6 All right. The next step is the guidelines
7 calculation. To any family member who is here, anybody on the
8 phone, I apologize. You're going to think you just dropped
9 into a weird math class, but I'm required to do the guideline
10 calculation.

11 The defendant pled guilty to one count of conspiracy
12 to commit wire fraud. The presentence report reflects a
13 guidelines level of 16, criminal history category I. I find
14 the correct guidelines calculation is as follows:

15 I start with the fraud guideline. Pursuant to
16 2B1.1(a)(1), sets the base offense level at seven.

17 The loss amount is between 40,000 and 95,000. So
18 pursuant to 2B1.1(b)(1)(D), that's plus six.

19 There were more than ten victims and the crime
20 resulted in financial hardship to at least one victim. So
21 pursuant to 2B1.1(b)(2)(A), that's plus two.

22 The offense involved sophisticated means and the
23 defendant intentionally engaged in conduct that constituted
24 sophisticated means. So pursuant to 2B1.1(b)(10), that's plus
25 two.

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1 The defendant abused a position of public or private
2 trust by posing as an attorney and that facilitated the
3 commission of the offense. Pursuant to 3B1.3, that's plus two.

4 The defendant pled guilty and accepted responsibility
5 for his actions. That's minus three. Bringing us to an
6 adjusted offense level of 16.

7 The defendant has no criminal history, so he has no
8 criminal history points, putting him in criminal history
9 category I. Level 16, criminal history category I yields a
10 guideline range of 15 to 21 months.

11 Are there any guidelines issues I have not addressed,
12 Mr. Schrier?

13 MR. SCHRIER: Your Honor, I would just note that
14 probation, I believe, calculated the guidelines range as 21 to
15 27 months because of a disagreement -- or rather, not a
16 disagreement, but they pointed out that a relatively obscure
17 guidelines provision may apply relating to the defendant's
18 provision of false information to victims related to the
19 position of public trust that he was pretending to hold.

20 THE COURT: I'm sorry. My PSR shows a guideline
21 range -- offense level of 16.

22 MR. SCHRIER: If you'll just give me a moment, your
23 Honor. I apologize.

24 I apologize, your Honor. I must be mistaken. I know
25 that the government had noted this in its sentencing submission

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1 a year and a half ago or so, but perhaps there was a revision.

2 THE COURT: No, I think what you're referring to is
3 that you, the government, had calculated in the plea agreement
4 the offense level as 14. Probation calculates it at 16
5 because -- and the difference is the adjustment for the role in
6 the offense. That's the 3B1.3 adjustment.

7 MR. SCHRIER: Yes, your Honor.

8 THE COURT: And I made that adjustment.

9 MR. SCHRIER: I see. I apologize, your Honor.

10 THE COURT: It is obscure, but I concur with probation
11 that it is appropriate.

12 MR. SCHRIER: Thank you, your Honor.

13 THE COURT: Mr. Peters, anything from you?

14 MR. PETERS: No, your Honor.

15 THE COURT: All right. I don't see a ground for a
16 departure under the guidelines. Are there any factual issues
17 in dispute, Mr. Schrier?

18 MR. SCHRIER: Not from the government's perspective.

19 THE COURT: Mr. Peters?

20 MR. PETERS: Not from the defendant, your Honor.

21 THE COURT: So there's no dispute of the factual
22 recitation in Credit Victim-1's statement?

23 MR. SCHRIER: Not from the government, your Honor.

24 MR. PETERS: No, your Honor.

25 THE COURT: All right. I have a question.

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1 Mr. Peters, your submission indicates that the scheme lasted
2 only about six months, but the government's submission and the
3 presentence report say that the fake accounts were set up in
4 the summer to fall of 2016. The earliest victim identified
5 seem to have made contact with the fake firm in the summer of
6 2017, and it appears that a victim was continuing to seek help
7 and maybe still paying in April of 2018. That seems like about
8 18 months overall. Is there any dispute on that?

9 MR. PETERS: My recollection, your Honor -- in which
10 part of the sentencing memorandum, because it was -- while it
11 did start in 2016, I think the government alleged there may be
12 some ongoing receipt but not an active work on the website or
13 soliciting for new clients. That may have been the difference
14 from what I had indicated in the presentencing memorandum.

15 THE COURT: I don't know what page it was on. I
16 didn't write that down.

17 OK. There was a victim by the name of Penn Little who
18 had indicated he wanted to be heard. Is Penn Little here? No.
19 Is Penn Little on the phone?

20 We're going to unmute everybody for just a second.

21 All right. Is Penn Little on the phone?

22 All right. Is there anybody else on the phone who is
23 a victim who would like to be heard?

24 All right. No victim wishes to be heard.

25 Would the government like to be heard?

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1 MR. SCHRIER: Yes, your Honor, briefly.

2 THE COURT: Before you -- Mr. Schrier, I have a couple
3 of questions if you could address at some point. One, can you
4 give me a little greater clarity on the efforts that were used
5 to put names to the receipt of money? Because from the victims
6 I've heard about, it appears that there was email traffic with
7 clients, so I'm curious how they could go unidentified.

8 And second, can you give me any better understanding
9 of how this case came to be? I'm particularly interested in
10 information that might help inform my analysis of the 3553
11 factor that deals with sentencing disparities between similarly
12 situated defendants.

13 MR. SCHRIER: Yes, your Honor. I can just start with
14 the Court's questions. So the first question related to the
15 mechanism for identifying victims that the government used. Is
16 that the Court's question?

17 THE COURT: Well, just sort of the whole effort. I
18 appreciate the explanation for why restitution and forfeiture
19 are radically different, but given how the scheme operated, it
20 just seems curious that all of the victims couldn't be
21 identified.

22 MR. SCHRIER: Yes, your Honor. So it was not the case
23 that the government ever had search warrant returns for, for
24 example, the defendant's email account, which would have
25 allowed the government to identify those communications. And

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1 the primary reason for that was following internal discussions
2 at the U.S. Attorney's Office, we determined that the law is
3 ambiguous but does suggest that the victims of Mr. Lambert
4 might actually be able to assert attorney-client privilege over
5 their communications with him because they had the expectation
6 that he was actually a lawyer, and the privilege is held by the
7 victims, not by Mr. Lambert. So for those reasons, we did not
8 seek Mr. Lambert's emails.

9 THE COURT: Got it. OK.

10 MR. SCHRIER: Instead, the way that we identified the
11 victims in this case was by identifying the primary PayPal
12 account that Mr. Lambert was using to process the funds that he
13 obtained through the fraud. Those PayPal returns listed at
14 least email addresses, addresses in some occasions, phone
15 numbers, and very often names. The special agents from the
16 U.S. Attorney's Office assigned to this case then went through
17 the process of attempting to contact the people based on the
18 personal identifying information contained in the returns. The
19 victim witness coordinator at the U.S. Attorney's Office also
20 mailed out the standard victim notification to all the
21 addresses that were listed in the PayPal returns. The
22 government made multiple efforts to contact most of the victims
23 in this case and was successful in a number of occasions. And,
24 indeed, I should have mentioned at the beginning of this
25 proceeding, but there are several victims who are listening in

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1 today. But the government was not able to make contact with
2 every single person listed in the PayPal returns. Perhaps
3 there was outdated contact information, perhaps someone got the
4 notice and declined to participate, but that was the mechanism.

5 THE COURT: OK. Thank you.

6 MR. SCHRIER: Certainly. In terms of how this case
7 came to be, your Honor is very well familiar with the Centra
8 Tech securities litigation as a result of litigation in this
9 case that was related. The way that this case came to be was
10 through the Centra Tech case. So in that case, as your Honor
11 is aware, the government was investigating and prosecuting
12 several individuals who had participated in the creation of a
13 fake ICO, initial coin offering. In the discovery from that
14 case that was actually provided by the Centra Tech defendants,
15 there were communications with someone purporting to be an
16 attorney who was purporting to advise them on the initial coin
17 offering. This raised a number of red flags for the
18 government, and it did appear as though the Centra Tech
19 defendants were going to try to advance some sort of good faith
20 reliance on the advice-of-counsel defense at trial. So the
21 government started looking further into this attorney and
22 quickly determined that this attorney did not appear to be a
23 legitimate attorney. A separate investigation was then
24 initiated into the contact of the person posing as Eric Pope
25 from the Pope & Dunn law firm, and here we are today.

L5BHLamS

1 THE COURT: All right. Go ahead.

2 MR. SCHRIER: Yes, your Honor. So the government just
3 wanted to add several points, some of which relate to events
4 that occurred since the government submitted its sentencing
5 submission.

6 As your Honor just noted, the guidelines range is 15
7 to 21 months. That is the sentence that the government is
8 recommending, but I wanted to stress that the most important
9 recommendation that the government is making is that there is
10 some form of incarceratory sentence. I know from previous
11 appearances before the Court that the Court is very well aware
12 of the literature relating to the deterrent effect of any
13 amount of time in prison versus no time in prison, so the
14 government does think that in this case some type of
15 incarceratory sentence is very important for both specific and
16 general deterrence perspectives.

17 I also wanted to emphasize something that the
18 government touched on in its sentencing submission, was how
19 especially vulnerable the victims were in this case.
20 Mr. Lambert went on a platform, Upwork, that people who are not
21 the most sophisticated consumers of legal services use. That's
22 the whole premise of Upwork, and Mr. Lambert certainly knew
23 this. It's not as if he was pretending to provide legal
24 service to sophisticated large multinational corporations.
25 These were individuals. These were small businesses. This was

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1 in many cases the only way that they knew how to find a lawyer,
2 and to find a lawyer that they could pay for. This is not an
3 incidental feature of the scheme. This is core to the entire
4 premise of the scheme. The scheme would not have worked if
5 Mr. Lambert had sophisticated -- had solicited sophisticated
6 companies. So I think that's really important to keep in mind
7 here. Mr. Lambert was intentionally and specifically targeting
8 vulnerable, relatively unsophisticated consumers of legal
9 services. When I say "unsophisticated," I don't mean it in a
10 pejorative way. I just mean people who are not familiar with
11 the legal system necessarily and how one goes about retaining a
12 legitimate lawyer.

13 I think that the person who is identified in the
14 complaint as Credit Victim-1 and the person who is the same
15 person who submitted the victim impact statement to the Court
16 recently, I think that person is the perfect embodiment of the
17 vulnerable victim that Mr. Lambert targeted. Credit Victim-1's
18 life was fundamentally and perhaps permanently negatively
19 affected by the actions of Mr. Lambert. Mr. Lambert went so
20 far as to have Credit Victim-1 drain his 401(k) account. And
21 Mr. Lambert could not have known this at the time, but that
22 money became particularly important, or the lack thereof, for
23 Credit Victim-1 during COVID. He did not have that to fall
24 back on, and he suffered a very significant financial hardship
25 as a result. In addition to Credit Victim-1's credit -- excuse

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1 me, victim impact statement, there are also communications
2 between Mr. Lambert and Credit Victim-1 in which Credit
3 Victim-1 is explaining that he was unable to get a job that
4 would have completely changed his life, that would have allowed
5 him to make significantly more money because his credit issues
6 remained unresolved. Instead of taking steps to find a real
7 lawyer for Credit Victim-1, for example, Mr. Lambert asked him
8 to continue paying more money, knowing that he was never going
9 to fix the credit problems that Credit Victim-1 was
10 experiencing.

11 Lastly, I just wanted to note the chaotic nature of a
12 fraud like this or, rather, the chaos that it engenders. If
13 you just look at the docket in this particular case, this
14 should have been a relatively straightforward prosecution in
15 many ways because Mr. Lambert did plead guilty quite quickly,
16 but if you look at the intervening victim motions and the
17 related Centra Tech litigation and the intervention by
18 Mr. Little and all of the filings that have had to take place
19 in this docket because of the chaos that Mr. Lambert sowed, it
20 taxed an overburdened criminal justice system in addition to
21 how pernicious the fraud was. Obviously, the victims are the
22 most important aspect of all of this, but it just goes to show
23 how damaging and dangerous a fraud like this is. It creates
24 chaos in every corner of the world that it touches.

25 So, for those reasons, the government believes that a

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1 guideline sentence of 15 to 21 months' incarceration is
2 appropriate here.

3 THE COURT: Thank you, Mr. Schrier.

4 Mr. Peters.

5 MR. PETERS: Yes. Can I use the --

6 THE COURT: You may.

7 MR. PETERS: I apologize if my glasses -- I'm still
8 not used to getting them fogged up, but I'm sure everybody says
9 the same thing.

10 THE COURT: I know.

11 MR. PETERS: My name is Gary Peters, and I'm
12 presenting on behalf of John Tyler Lambert. In court today is
13 his mother Connie. We had our sentencing submission. It's
14 been over a year and a half. And as to Mr. Schrier's last
15 comment, I think had we been able to go without the Centra Tech
16 intervention and others, it wouldn't have been nearly as
17 chaotic as he refers to.

18 Most of our arguments in the sentencing submission are
19 there. We supplied them, and what I'd like to do is just
20 highlight a few areas that I think are critical. Because when
21 this started, Mr. Lambert was 20 years old; he was going to
22 school; it was first time away from home; and he ended up, with
23 his coconspirators, it turns out, trying to develop a web
24 marketing company, which he did. Unfortunately, that turned
25 from a web marketing company into a fake law firm, complete

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1 with fictitious biographies of lawyers. They claimed to be
2 located in Manhattan and claimed to provide legal services to
3 the public. Obviously, none of that was true, and Mr. Lambert
4 quickly admitted to that when he was arrested.

5 Now, he and his partner claimed to be attorneys Eric
6 Pope and Gregory Shapiro. His partner grew up in New Jersey,
7 but always liked to say he was from Manhattan and thought that
8 would be the best thing to do to attract clients, pretend
9 you're from New York, which none of that was true, obviously.

10 So on April 19, at least a year after the time they
11 had finished conducting the fraud and the scheme, he was
12 arrested one morning and obviously was not sure exactly what it
13 was for, but he took immediate responsibility for it. In fact,
14 he took responsibility not only for himself but for his
15 coconspirator. One of the issues when I was first contacted
16 was merely to come before the Court to assist him with the plea
17 agreement. And when I heard that his claim to fame was as a
18 co-founder of Students for Trump, I immediately contacted my
19 partner with referral and said: I don't know how we can
20 represent somebody that's a student for Trump person. How are
21 we going to do this?

22 Well, I had a discussion with John Tyler very quickly
23 and understood his agreement to take responsibility for it. He
24 was very ashamed of what he had done, and he was willing to
25 plead guilty and wanted to know how to do that. And he was

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1 willing to come forward, plead guilty, and accept his
2 responsibilities. The only thing that had anything to do with
3 the Students for Trump in 2016 when he was a co-founder was
4 that he met his coconspirator there, but other than that, it
5 didn't have anything to do with that.

6 John Tyler has been ridiculed, as set forth in our
7 sentencing memoranda, in the press, online. You can go from
8 Politico to The Young Turks and take a look at the type of
9 ridicule that he's gone under, and he has demonstrated his
10 remorse by pleading guilty, knowing that he's going to spend a
11 good portion of his life not having a number of civil
12 liberties. He won't be able to vote in most cases, he won't be
13 able to own a firearm, and he's most likely going to have this
14 on his record forever in terms of prospective future
15 employment. In most states he will never be able to be
16 licensed in a position of trust, whether that goes from lawyer
17 to accountant to others. He understands that. During the time
18 that he's been on probation, he's been going to school
19 full-time, working one day a week, volunteering working with
20 the elderly.

21 As you indicated, he had just his -- the four letters
22 that were submitted from his mother Connie, his dad Matt, his
23 grandma Pat Barnes, and a close family friend. Normally, when
24 you have somebody older, you would have 20 or 30 types of
25 letters, but in this case, as a young man, it was his family.

L5BHLamS

1 I believe that John Tyler knows the nature of the
2 offense, the offense that he committed. He knows the impact
3 that that's going to be. And I can tell you three or four
4 years ago he never thought this would be where his life was
5 going, but he's willing to take the consequences that your
6 Honor may deem appropriate and move on with his life to be a
7 better individual and a better person, because his life now is
8 a far different direction than he would have thought of two or
9 three years ago. He'll start after sentencing, and once that's
10 over his long journey towards making amends not only to his
11 family but to the community. We think that that will be
12 something that he is focused on, something that he wants to do,
13 and something that he will show.

14 Your Honor, I know in terms of the scope of your
15 sentencing letter, while you're statutorily obligated to look
16 at all the sentencing guidelines, and we agree to those, it's
17 important to individualize the sentence. And we think in this
18 case a sentence that does not include incarceration would be
19 appropriate. We detail in our sentencing memoranda the
20 prospective impact of his youth when he did this. He was in
21 his early 20s when he did illegal contact. As he talked to the
22 probation officer, he indicated that one of the reasons he may
23 have been influenced was watching TV shows such as "Suits"
24 where you see paralegals acting as attorneys and getting away
25 with it. It does not under any circumstances require that he

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1 not be punished for it, but it just shows the age and the
2 earliness for it.

3 We're hoping that you agree that an alternative to
4 incarceration will be appropriate in this case. We'd like to
5 do that for a number of reasons: One, as recommended in the
6 sentencing report, John Tyler's shown compliance during the
7 terms of his probation. He's worked full-time and school.
8 He's worked with the elderly on a weekly basis. And what we're
9 hoping is that as part of his sentence that he would have home
10 confinement; that he would be required to do some community
11 service, which would include giving presentations to young
12 people to groups, to civic groups, community leaders about his
13 experience because we're hopeful that if he can share his
14 experience with the impact his life would have -- on his life
15 by making the choice that he made to create the law firm and to
16 break the law, that he might be able to help others change
17 their lives. And he's good at this. He was on TV during the
18 Students for Trump days. He's articulate. We think he would
19 be able to explain the perils of trying to pretend to be a
20 lawyer or to break the law and the significant consequences
21 that would occur.

22 So as set forth in the recommendation by the probation
23 department, they feel that at least as to specific deterrence,
24 that there's been a significant amount of evidence that, in
25 fact, he will be specifically deterred. The question then

L5BHLamS

1 becomes, as Mr. Schrier pointed out, is there going to be any
2 general deterrence if you were to provide him a noncustodial
3 sentence? And we think the answer to that is yes. The offense
4 was conducted when he was first away at school, when he was
5 young. He was involved with Students for Trump. The severe
6 penalty and the severe publicity that accompany that have been
7 very great and have shown people that, in fact, breaking the
8 law will not be tolerated even if you are not incarcerated.
9 His crime has received extensive publicity, and our hope is
10 that it will provide the general deterrence if this Court were
11 to agree to a noncustodial sentence.

12 So while we have looked at some alternatives, we
13 believe one requirement for John Tyler to give presentations to
14 a significant number of persons, even in the time of COVID, can
15 be arranged, and we believe that that would provide, hopefully,
16 at least one person, if not more, to keep them from violating
17 the law based upon his own experience.

18 With that, if it would please the Court, John Tyler
19 would like to say a few words.

20 THE COURT: I want to hear from John Tyler,
21 Mr. Lambert, but let me -- I have a question. Can you shed any
22 light on his school situation? You've repeated several times
23 that he's been a full-time student. Not clear to me whether
24 that means he's been taking a full load or not, but he's been
25 in college since 2015, and I know that graduating in four years

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1 has sort of gone the way of the dodo bird, but we're talking
2 now many years. And you told me that he's been in school since
3 he pled, which means that's five semesters just since he pled.

4 MR. PETERS: I would have to ask him. I know he's
5 been taking online classes. I'm not sure. I think it was 12
6 hours per semester.

7 THE DEFENDANT: Yeah.

8 THE COURT: Is that a full load?

9 MR. PETERS: It's a full load in today's world.

10 THE COURT: Is that a full load?

11 THE DEFENDANT: Your Honor, that's -- I'm a full-time
12 student. However, due to different financial situations,
13 that's all I was able to currently take, but that is a full
14 load, your Honor.

15 THE COURT: All right. So he's been going to school
16 with a full load, and yet we're talking he's going on six years
17 in college?

18 MR. PETERS: Well, I know that he left when this
19 occurred, and that would have been -- he was already out of
20 school in 2018. Is that correct?

21 THE DEFENDANT: Yes. I took a short break in between,
22 your Honor. So I've not been going from 2015 to now
23 continuously, however. But after my break, I started again,
24 your Honor.

25 THE COURT: In 2019?

L5BHLamS

1 THE DEFENDANT: Yes, your Honor.

2 THE COURT: OK. Are his parents paying for college?

3 MR. PETERS: Yes.

4 THE COURT: OK.

5 MR. PETERS: Because, obviously, he will not be
6 allowed to participate in any federal student loans because of
7 his felony criminal conviction. So they will assist him with
8 that or he will continue to work or begin working to help.

9 THE COURT: All right. Thanks.

10 All right. Mr. Lambert, would you like to be heard?

11 THE DEFENDANT: Yes, please, your Honor.

12 THE COURT: If you're going to read something, I'm
13 going to ask you to read slowly.

14 THE DEFENDANT: Yes, your Honor.

15 THE COURT: The court reporter has to get it all down.

16 THE DEFENDANT: Thank you for the opportunity to
17 speak. I want to begin first by expressing my sincere regret
18 and apologies to the victims who were affected by my actions.
19 The scope of the potential damages and seriousness of my
20 actions is something I was ignorant of when this all began. I
21 have felt the full effect of the seriousness of this matter,
22 which has left my soul broken of sins I've committed.

23 This began while in college volunteering, involving
24 myself in student activism. It is there where I met my
25 coconspirator in this scheme. The coconspirator and I aspired

L5BHLamS

1 at a time to pursue law and thought in our young, ignorant
2 minds that we could begin to learn and interact in the field
3 before receiving the proper education. This was a grave
4 mistake, certainly. When I made this choice, I did not
5 understand the impact it would have nor the damage it could
6 cause others. As I made a choice to be involved and exchanged
7 money for services I could not fully perform, I began to see
8 that individuals had the potential to be hurt, and it was not
9 something minor. I was raised to have a strong content of
10 character. However, in the moment leading up to the decision
11 to contribute in this scheme and my decisions that follow the
12 time I took part in this, I lost focus on who I was. I
13 understand now that my ignorance was a disrespect to the law
14 and my country.

15 I should have made a better choice to not take part of
16 this, not to contribute. However, I did not. This lapse in
17 proper decision-making led me to be a violator of the law and
18 someone who is not a contributor to society. I let my family
19 down, my creator down, and many who love, care, and believe in
20 me. The only thing I can do now is express a sincere
21 understanding of my wrongdoing, my firm intent to correct my
22 actions by service, paying back the victims swiftly, and an
23 overwhelming sense of responsibility to educate other young
24 adults so they may not make the poor decisions that I did.

25 My poor decisions have led to grave pain to both

L5BHLamS

1 myself and my family. This process has seemed suffocating, one
2 that has stripped me of feeling human. I say this not for
3 sympathies, as I know I made the choices that landed me in this
4 position. Instead, I pray you will understand the impact this
5 has had on both my demeanor, character, goals, and overall
6 frame as a young man. My life will be forever marked by this
7 poor choice at a young age.

8 I know that there is much left for me to do to express
9 my sorrow and regret in these choices, along with paying back
10 the debt to victims and my society. Words are not enough.
11 From the time I was indicted, I have taken conscious action in
12 my life to try to right the ship to show I have taken this
13 seriously. I have become close to my savior, began to
14 volunteer diligently, and have spent countless hours in prayer
15 to rid myself of the demons that would allow someone to make
16 these poor choices in the first place.

17 Thank you for your allowing me to speak.

18 THE COURT: Thank you, Mr. Lambert.

19 Mr. Lambert, federal law requires me to consider the
20 nature and circumstances of your offense and the history and
21 characteristics of you. You're a 25-year-old college student.
22 You grew up in Blountville, Tennessee, as an only child. Your
23 mother remarried when you were a child, and you report a
24 positive relationship with your stepdad. You were educated, as
25 far as I can tell, entirely in small private schools,

L5BHLamS

1 ultimately completing high school online at a school affiliated
2 with Liberty University. You then went to Campbell College, a
3 very small college in North Carolina.

4 You were active in the 2016 election, including being
5 a member of the college Republican National Committee and being
6 a co-founder Students for Trump. At that time you were about
7 20 years old, and you seemed to be quite comfortable sitting
8 for interviews with all types of media organizations. You had
9 a summer job when you were 20 for a couple of months, but
10 otherwise you are 25 years old, and you have absolutely no
11 employment record. You are not married, and you have no
12 children.

13 The defense submission, as well as you have said
14 during your oral statements, say that you are remorseful, but I
15 would note that you have made no effort to repay your victims.
16 Restitution will be ordered as part of sentencing, but if you
17 were truly remorseful, it's hard to understand why you didn't
18 make some effort to get a job to start to repay the victims.
19 Going to school 12 hours is more than enough time for a
20 part-time job. You may not have had the ability to repay
21 everything, and school is clearly quite important, but I am
22 struck by your failure to do anything at all to start to make
23 amends to the victims of your crime.

24 Taking all that into account, federal law requires me
25 to impose a sentence that is reasonable, and no greater than

L5BHLamS

1 necessary, to accomplish the goals of sentencing. I've
2 considered all of the required sentencing factors, as well as
3 the guidelines. In terms of what is most important, we start
4 with the seriousness of the offense. Fraud is unquestionably a
5 serious offense, although this is not the most substantial
6 fraud case that I have seen in terms of how much money it
7 managed to collect from its victims, but it has other aspects,
8 Mr. Lambert, that makes it more serious than some fraud cases.
9 This crime took a lot of thought. Despite the defense
10 submission and the letters from family members that presented
11 you as a naive, sheltered young adult who was led astray by
12 your coconspirator, this crime involved a lot of planning and
13 sophisticated thought.

14 Mr. Lambert figured out a way, figured out that if he
15 was going to portray himself as a New York lawyer, he needed to
16 be able to utilize multiple phone numbers that appeared to be
17 New York numbers. He advertised his legal services. He
18 created a website and created -- and generated false
19 biographies. In short, he did not just make a mistake and
20 stumble into misrepresenting himself to be an attorney. He
21 spent a lot of time and effort to create a cyber existence that
22 he believed would be credible enough to fool people who were
23 unlucky enough to hire him.

24 It's also more serious for the reasons that the
25 government laid out, because the business model of the fraud

L5BHLamS

1 was calculated to ensnare as victims people who were not
2 sophisticated purchasers of legal services. And as indicated
3 in the victim impact statement of Credit Victim-1, Mr. Lambert
4 was not a passive recipient of legal fees. He got his victims'
5 credit card numbers and regularly charged fees to them. That
6 same victim was pressured to do the unthinkable. He tapped
7 into a 401(k) account to generate cash to pay Mr. Lambert for
8 his alleged legal services.

9 Without knowing the underlying story of all of the
10 victims, the facts surrounding that victim demonstrate the
11 falsity of the defense narrative: Mr. Lambert was just a naive
12 guy trying to learn the law and help people out. That victim
13 needed help with a credit reporting bureau. Mr. Lambert took
14 his money and said he would straighten it out, but he did not
15 even bother to call the credit reporting bureau. Who knows?
16 It could be that if you had even bothered to pick up the phone
17 and make a phone call in exchange for the thousands of dollars
18 you were receiving and continued your charade of saying you
19 were a lawyer, that would have been enough to elevate that
20 particular dispute in the credit agency high enough to someone
21 who maybe could have corrected whatever the problem was that
22 that man was having. But far from trying to help that victim,
23 Mr. Lambert took his money and did nothing. In the end, when
24 the victim was emailing desperately trying to figure out what
25 to do, Mr. Lambert, who by that point had allegedly realized

L5BHLamS

1 that it was not a good idea to pose as a lawyer, did not even
2 have the common decency to make up an excuse to tell the victim
3 to get another lawyer. After getting money from his 401K
4 account, Mr. Lambert just ghosted the victim. That is many
5 things, and maybe Mr. Lambert has a heart of gold in some
6 aspects of his life, but that is evidence of a cold-blooded
7 fraudster who cared not a whip about the victims of his fraud.

8 I've considered the need to promote respect for the
9 law. Mr. Peters stresses that Mr. Lambert had no criminal
10 history as evidence, I think, that he has respect for the law
11 and this whole criminal enterprise is just, as his family
12 repeatedly characterizes it, a mistake that happened when he
13 was led astray by others. Based on what I have before me, I do
14 not agree with that characterization. The defendant started
15 engaging in criminal conduct when he was just 20 years old, and
16 he stayed at it for months. To me, that suggests an early
17 attraction to getting something for nothing, for scamming
18 people to get people -- to get money instead of working hard to
19 get what you need or want. When someone is 50 and has no
20 criminal history, that suggests the criminal conduct is truly
21 aberrant behavior. In contrast, the fact that this crime was
22 committed just about as soon as Mr. Lambert was old enough to
23 commit a fraud crime suggests that this is not aberrant
24 behavior on the part of this defendant.

25 I've considered the need to provide -- to impose just

L5BHLamS

1 punishment while avoiding unwarranted disparities. In the
2 defense submission, he points to -- the defendant points to his
3 coconspirator who was not prosecuted as an argument for a
4 non-jail sentence. But, of course, the primary difference was
5 that the coconspirator cooperated with the government.

6 The defendant also points to other fraud cases where
7 much more money was involved and where there were downward
8 departures or downward variances. He points specifically to
9 the sentence of Keith Schuler who was sentenced to supervised
10 release with a special condition of community service, talking
11 about what he did to college students, and the like.

12 Mr. Schuler is not analogous to Mr. Lambert because, first, he
13 had an entire adulthood where he committed no criminal conduct,
14 and second, he was a cooperating witness who testified against
15 his friends.

16 I've considered the need to deter criminal conduct.
17 Mr. Lambert, the law requires me to consider two aspects of
18 deterrence: general deterrence and specific deterrence.
19 General deterrence is how do we deter society generally from
20 committing crimes, and specific deterrence is how do we deter
21 you from committing another crime. In terms of general
22 deterrence, it is not entirely clear what general deterrent
23 effect any sentence will be in this case, but it may very well
24 be that a sentence will deter other young people who are
25 tempted to dabble in fraud, thinking that their youth will

L5BHLamS

1 protect them from any serious consequence of their actions.

2 But I think what's more important in connection with
3 this sentence is specific deterrence. It is important to send
4 a message to this defendant. As much as his family may wish to
5 embrace the narrative, Mr. Lambert, you cannot foist this off
6 on being led astray by your coconspirator. By all indications,
7 you have a mind of your own and can stand up to people with
8 unpopular opinions if it is important to you to do so. As the
9 defense noted, you were an early supporter of Trump at a school
10 that at the time shunned Trump. You had the force of
11 personality to overcome that and to set up a nationwide
12 organization in support of your preferred candidate. Those are
13 the actions of a leader, not a follower. In my view, a leader
14 who has shown willingness from a young age to commit crimes
15 poses a particularly high risk of recidivism.

16 Everybody doesn't have leadership skills, Mr. Lambert.
17 Leadership skills can be used for good or for ill. So far, you
18 have used your skills to build a dynamic political group.
19 That's a good thing. You brought young people into the
20 political world, and I can't say anything other than that is a
21 wonderful thing, to keep young people engaged in our
22 government, and you used your leadership skills to do very bad
23 things, to construct and to run a fraud scheme. That part of
24 Mr. Lambert has to get the message that this conduct or
25 anything close to it is entirely unacceptable.

L5BHLamS

1 Mr. Lambert, you need to understand that if you
2 continue to use your talents to commit crime, you can count on
3 spending substantial amounts of time in federal prisons.

4 Protection of the public is not -- normally I think of
5 this factor in terms of physical protection, how do we protect
6 people from violent crime, but protection of the public is a
7 concern in terms of people who will fall prey to scams like
8 this, if you come up with other fraud scheme to make money
9 rather than by earning it honestly.

10 I don't think the need to provide the defendant with
11 educational or vocational training is a significant factor. He
12 has not yet graduated from college, but he seems to be well on
13 his way. He can choose either to finish college or to learn a
14 trade.

15 Based on all of my considerations of the sentencing
16 factors, I find that the guideline sentence is somewhat longer
17 than necessary to achieve the goals of sentence, and therefore
18 I am going to vary downward. But I find that the sentence
19 recommended by the probation department and urged by the
20 defense to be inadequate to achieve the goals of sentence.
21 Therefore, I am not going to vary downward to a non-jail
22 sentence.

23 Mr. Lambert, I'm going to sentence you to the custody
24 of the attorney general for a period of 13 months, to be
25 followed by a period of supervised release of three years.

L5BHLamS

1 There are mandatory conditions of supervised release. You must
2 not commit another crime. You must not illegally possess a
3 controlled substance. You cannot possess a firearm or other
4 destructive device. You will not be subject to mandatory drug
5 testing because I find the risk of drug abuse is low. You must
6 cooperate in the collection of DNA.

7 In addition to the standard conditions of supervision,
8 I'm imposing the following special conditions: The defendant
9 must provide the probation office with access to any requested
10 financial information, and you must not incur new credit
11 charges or open additional lines of credit without the approval
12 of the probation office unless you are in compliance with the
13 installment payment schedule.

14 The defendant must report to the nearest probation
15 office within 72 hours of release from custody, and he'll be
16 supervised by the district of residence. I am not imposing a
17 fine, because I find there's no ability to pay a fine, and any
18 resources that Mr. Lambert has at his disposal can better be
19 spent repaying his victims.

20 It was a consent order of forfeiture. I am ordering
21 forfeiture in the amount of \$46,654.50. And I'm ordering
22 restitution to the people on the schedule that's attached to
23 the restitution order in the amount of \$21,337.

24 Probation is recommending that Mr. Lambert be required
25 to pay 10 percent of his gross monthly income towards his

L5BHLamS

1 financial penalties. Does either side want to be heard on
2 that? Mr. Schrier?

3 MR. SCHRIER: Nothing from the government on that,
4 your Honor.

5 THE COURT: Mr. Peters?

6 MR. PETERS: Nothing, your Honor.

7 THE COURT: All right. Mr. Lambert has no dependents,
8 so I'm going to order him to pay 15 percent of his gross income
9 towards financial penalties. If his income substantially
10 increases, the government can seek a larger percentage. If he
11 ends up with dependents, the defense can ask that the
12 percentage be decreased. I must impose a \$100 special
13 assessment.

14 Mr. Peters, do you have any requests for designation?

15 MR. PETERS: Your Honor, if possible, because of where
16 his grandmother lives, either Pensacola or Montgomery, Alabama,
17 would be areas where his grandmother may be able to --

18 THE COURT: Pensacola or?

19 MR. PETERS: Montgomery, Alabama.

20 THE COURT: Montgomery. OK. I'm happy to make that
21 recommendation.

22 Mr. Lambert, understand, all I can do is recommend.
23 It's ultimately up to the Bureau of Prisons what facility
24 they're going to put you in, but I will recommend that they
25 designate you to either Pensacola or to Montgomery.

L5BHLamS

1 Does the government have a position on direct
2 surrender?

3 MR. SCHRIER: Your Honor, this is not a mandatory
4 remand statute, and the government has no objection to a
5 self-surrender.

6 THE COURT: All right. Mr. Lambert, you're directed
7 to surrender to your designated institution not later than noon
8 on June 25, 2021. If no facility has been designated by that
9 date, you must surrender to the Southern District of New York
10 marshals. If you're not yet vaccinated, I have set the
11 surrender date to give you time to be fully vaccinated for
12 COVID. For that reason, COVID and the presence or absence of
13 COVID in your designated facility will not be a basis for you
14 to request a delay in your surrender date. I strongly
15 recommend that you take advantage of the vaccine and get
16 vaccinated before you are required to surrender to prison.

17 Are there any open counts in this case?

18 MR. SCHRIER: Just in the complaint, your Honor, but
19 not in an information or an indictment.

20 THE COURT: All right. Mr. Lambert, to the extent you
21 have not given up the right to appeal your sentence through
22 your plea of guilty and the agreement you entered into with the
23 government in connection with that plea, you have the right to
24 appeal your sentence. If you're unable to pay the cost of an
25 appeal, you may apply for leave to appeal *in forma pauperis*.

L5BHLamS

1 The notice of appeal must be filed within 14 days of the
2 judgment of conviction.

3 Anything further from the government?

4 MR. SCHRIER: No, your Honor.

5 THE COURT: Anything further from the defense?

6 MR. PETERS: No, your Honor.

7 THE COURT: All right. Thank you all.

8 Good luck, Mr. Lambert.

9 (Adjourned)

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